Budget 2015 2016

Address

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Introduction

Once again, it is an honour to stand before this Assembly to update you on our fiscal progress, and outline our plan for 2015–2016.

We are making significant progress in getting the government's fiscal house in order, yet there is still considerable work to be done.

When we took office, government spending significantly exceeded revenue.

When I rose in the House last year to deliver our first budget, we had anticipated a $279-million deficit in 2014–15.

I am pleased to report this year's deficit is now forecasted to be $102.1 million.

Furthermore, our budget deficit for the 2015–2016 year will be $97.6 million and — if our assumptions hold true — we will be able to report a surplus in 2016–2017.

Net Debt

This is primarily due to our willingness to halt the increase in government spending.

When wage increases are taken out of the equation, overall departmental spending has increased only 0.2 per cent.

To my mind, this represents remarkable progress.

And I want to thank all my colleagues and staff for their hard work over the past 18 months.

Our approach to fiscal discipline has been constant – and we have begun the process of refocusing our limited resources on the core responsibilities of government.

As I announced earlier this week, members of this House are leading by example, and their salaries will be frozen for the next three years.

Last year when I addressed the House, our focus was on keeping our campaign commitments and laying the foundation for private-sector growth.

During the year, we have made significant progress on both.

This budget reflects our efforts to control spending and a clear focus on priorities:

- To educate young Nova Scotians;
- To ensure better access to health care;
- To let the private-sector drive job creation and economic growth; and
- To spend and invest prudently with a focus on long-term sustainability.

On the spending side, we have examined in detail the many programs and services that are offered by government. Our aim has been to find ways to improve the efficiency and effectiveness of our programs. We looked for duplication or programs that are no longer meeting their objectives.

Most importantly, we have been willing to challenge the status quo and keep the interests of Nova Scotians as our number one priority.

Under the leadership of the Premier we commenced an ongoing program review and asked ourselves these questions:

1. Do current programs and government activities still serve the public interest?
2. Is there a legitimate and necessary role for the government in these programs or activities?
3. Is the current role of government appropriate, effective and efficient?
4. If we continue the program or activity, can we make government more efficient and effective in its delivery?
5. And finally, are the existing programs or activities affordable given our current fiscal reality?

For too long, governments have turned away from the responsibility to evaluate and assess programs to ensure they were serving the public interest for fear of the political consequences of making tough decisions.

During my budget address last year, I talked of the need to "change the conversation."

The One Nova Scotia report had struck an important chord across our province – and I found a public eager to contemplate new solutions. Our collective resolve to answer the call to action, to halt the slide, and avoid a prolonged decline in the quality of our public services will continue to be tested in the months and years ahead.

In fact, I can say that I discovered something important about Nova Scotians: The general public is ahead of many institutions – including government – in its recognition that change is long overdue.

Our Wage Challenge

The inflated wage pattern of the past several years has prevented a return to balance. The fact that our economic growth stalled in tandem with this wage pattern made the situation even more difficult.

The generosity of two, two-and-a-half and three per cent wage increases left a major burden for all Nova Scotians.

As a result, over $700 million was added to government's labour costs over the last three years. It is important to remember that these costs are now embedded in the cost of government.

Additionally, it is also important to note that approximately $5.2 billion of the province's total budget of $8.9 billion for departmental spending goes towards wages and benefits.

That is 58 per cent of our departmental spending.

However, I am pleased with the fact that we have made real progress – and we have met many of the challenges that arose.

Of course, stronger economic growth and fiscal sustainability are top priorities for our government.

But a balanced budget is not an end unto itself.

Instead, fiscal discipline is a means toward maintenance of core public services – the services Nova Scotians need to improve the quality of their lives.

So our motivation is the improvement of public services – in health, public infrastructure, support for our most vulnerable citizens and an education system that prepares Nova Scotians to prosper in a changing world.

This is why we need to continue on the path we are on.

Investing in Education

Sustaining top-quality education and investing in early childhood development are core functions of government.

Investing in education is the long game – our most strategic investment is in people.

And, as the world continues to rapidly evolve, we have a direct responsibility to help Nova Scotians excel in a knowledge-based economy.

And that means taking a lifelong approach to education.

Our government is very focused on investing in early childhood education and the P-to-12 system. That approach also extends to post-secondary support, apprenticeships, training and workforce attachment.

In our first budget, we embarked upon our commitment to rebuild our education system – after $65 million was cut by the previous administration.

But it is more than just money itself. We have also begun a program to dramatically improve the education system.

We completed the first education review in a quarter century.

That review is now prompting action – and the Minister of Education and Early Childhood Development is responding to the recommendations in the report.

And work is well underway — this year, the Department of Education and Early Childhood Development will invest an additional $20.4 million in this vitally important sector. This is in addition to $17.3 million that was invested last year in education.

This will include continued investment on class caps for grades Primary to 2.

Additionally, grades 3 and 4 will be capped to ensure our children get the best possible start in life, and that our teachers can take the time they need to teach.

We know our students have fallen behind in math and literacy, nationally and internationally. This year we will continue to tackle that problem by investing a further $3.0 million in a provincial math strategy.

This renewed focus will provide more time for teaching math in the early years, ensuring we get the fundamentals right.

We will also invest $2.4 million in language arts for grades Primary to 3.

Research clearly indicates that the early years of a child's life set the stage for their success. In order to help all our children get the best possible start in life we will invest an additional $1.3 million in early intervention programs and $700,000 in early learning initiatives.

There will also be $1.1 million to fund school mental health clinicians.

With this budget, we are continuing new investment in education by increasing provincial funding to post-secondary education by $3.2 million in each of the next four years.

With this investment, we are also introducing legislation to ensure accountability for the tax dollars they receive.

We are working closely with the presidents from all 10 Nova Scotia universities to ensure their direction is better aligned with the social and economic goals of our province.

At the same time, we are ensuring that participation and access to a post-secondary education continues to be affordable for Nova Scotians.

Mr. Speaker, to support students who decide to pursue post-secondary education, we have changed the Debt Cap Program to the Nova Scotia Loan Forgiveness Program.

Nova Scotia undergraduate students who graduate within a reasonable time will be able to have their entire provincial loan forgiven. This could save students up to $15,000 of the cost of their university degree.

Program changes will also help students with permanent disabilities.

Currently, students need to complete their studies within four years to qualify for maximum assistance under the old Debt Cap Program.

Now, under the new Nova Scotia Loan Forgiveness Program, students with permanent disabilities will have 10 years to complete their degree and receive maximum debt forgiveness.

The Loan Forgiveness Program is for all Nova Scotia students attending Nova Scotia universities. Students who choose universities out of province will only be eligible if they can show the program is not available in Nova Scotia.

We have also removed interest costs from the provincial portion of student loans, which has further reduced the cost for many to attend our post-secondary institutions.

Workplace Attachment: Graduate to Opportunity

Mr. Speaker, last year we announced the Graduate to Opportunity program that supports young college and university graduates to get started in their chosen field.

This will mark the first full year of the Graduate to Opportunity program.

The program provides salary contributions to employers to offset the cost of hiring a recent graduate and assist post-secondary graduates to find career opportunities in Nova Scotia. In the year ahead, we will contribute $1.6 million to fulfilling our commitment to this program.

To further support lifelong learning we will invest in:

1. Brilliant Labs — a $400,000 investment in all eight school boards to help teachers incorporate technology, creativity and entrepreneurship in the classroom.
2. Innovation, incubation and acceleration of entrepreneurs and startups through innovation centres in Sydney, Truro, Liverpool, Parrsboro, Halifax and Dartmouth. Key sectors will include agriculture and agrifood, seafood, ocean technology, tidal energy, forestry, and information and communication technology.
3. Improved apprenticeship programming through the newly created Nova Scotia Apprenticeship Agency.

Future investment in young Nova Scotians will be made possible by maintaining fiscal discipline.

The Economy: the Best Fiscal Plan is a Strong Economy

Mr. Speaker, it has been said the best fiscal plan is a strong economy.

In fact, the root cause of our fiscal challenge is that in past years government spending growth has vastly surpassed our economic growth.

And previous governments did not face up to this.

At the beginning of 2014, Nova Scotia had the dubious distinction of having the worst performing economy in Canada, measured by real GDP growth, for the last 20 years.

In February 2014 the One Nova Scotia Commission offered a stark assessment of our current reality.

After two decades of slow economic growth, our province hovered on the verge of significant prolonged decline in our standard of living, our population and in the quality of our public services.

Since then, some indicators have been more promising for Nova Scotia – suggesting our economy is slowly improving.

For example, Nova Scotia led the provinces in goods export growth in 2014.

There were substantial gains in natural gas output and non-energy exports such as seafood, forest products and manufactured goods.

Forecasters project better GDP results for Nova Scotia in the next two years. Despite this, there are concerns for the longer-term economic growth.

Our offshore is a unique growth opportunity for our province.

We remain committed to our Offshore Growth Plan by investing in marketing and geoscience programs to encourage additional exploration activity off our coast in a safe and sustainable manner.

Already the plan is demonstrating success. Despite the decline in world oil prices, Shell and its partners Suncor and ConocoPhillips remain committed to a $1-billion exploration program that will see the first well drilled this year.

And, BP and its partners Hess and Woodside also committed to another $1-billion program that saw one of the largest seismic data collection programs in the world last year.

Major project investments in the near term include the Maritime Link, the Shipbuilding Project, the Macdonald Bridge Redecking and the Halifax Convention Centre. The Donkin Mine and Liquified Natural Gas Export opportunities all are further reasons for optimism.

In addition, we are enabling the development of a world-class tidal-energy sector. With the highest tides in the world in the Bay of Fundy, we have a unique competitive advantage.

But, we have an obligation to do better. The solutions of the past have not worked, so government needs a new approach to private sector and social enterprise growth.

A New Way of Doing Business

As I said, fourteen months ago, Nova Scotians received the report of the Nova Scotia Commission on Building our New Economy.

The report called for changes in attitudes, policies and practices across all business, government and community sectors.

The report said:

> "We believe there is significant value in reorganizing business-related programming within a new department with a new Minister and a crystal-clear mandate to support all aspects of business expansion in Nova Scotia. We believe this clarity should extend to the actual title – the Minister of Business."

I am pleased to report the government is implementing this recommendation, effective today.

I would also like to congratulate my colleague, the Honourable Mark Furey, the first Minister of the new Department of Business.

Under Minister Furey's leadership the department will:

- provide stronger direction;
- align government policies and programs more effectively; and
- be more efficient and focused on supporting business growth and innovation.

This also reflects a long-standing request by the business community.

The Department of Business will lead a portfolio of government departments and agencies that enable rural and urban business growth.

The role of the Department of Business will be to focus on creating the most positive business environment to strategically promote business growth at all levels and regions in Nova Scotia.

This will be extremely beneficial for innovation and growth in our rural economy as the responsible use and development of our natural resources — together with tourism — are among our best opportunities for renewed prosperity in rural Nova Scotia.

In creating the new Department of Business and eliminating the former Department of Economic and Rural Development and Tourism, government will achieve $29 million in savings in 2015–2016 — and ongoing savings in subsequent years of greater than $40 million per year.

During our first year in office, government created Invest Nova Scotia. This organization is led by the private sector.

It will support the work of the Department of Business by bringing additional expertise to decision-making about sector development and investment of public funds, in a transparent and accountable way.

Additionally, Mr. Speaker, I want to reiterate government's decision to have a private-sector board lead our tourism sector. This new body will rely on sector expertise to guide this vitally important industry.

The creation of a new Department of Business is continuing our government's commitment to following a new economic development strategy — one that is distinctly different from previous governments.

From now on, government will focus on helping to create the right business climate — instead of picking winners and losers.

Business and government play different but interrelated roles in creating a competitive, productive economy — we know our role.

A recent example of this is the Premier's work to facilitate the creation of a private-sector-led equity fund of $50 million by Victor Chu.

No public funds are required, and this decision represents a private-sector vote of confidence in our province.

Taken together, Mr. Speaker, these initiatives allow business leaders to play a much larger role.

Office of Regulatory and Service Effectiveness

Another key initiative of our government is the recently announced Office of Regulatory and Service Effectiveness.

This office will be housed in the Department of Business and will be led by a Chief Regulatory Officer.

In November 2014, my office received the Nova Scotia Tax and Regulatory Review Report, which I commissioned in February of last year.

Mr. Speaker, I am pleased to report that our new Office of Regulatory and Service Effectiveness is mandated to develop a regulatory reform agenda directed at implementing each and every recommendation Laurel Broten made relating to regulatory reform.

A key focus of this office will also be the recently announced joint initiative with New Brunswick to streamline the regulatory environment between our two provinces.

Government will also consolidate the inspection, compliance and enforcement functions of the departments of Natural Resources, Agriculture, Fisheries and Aquaculture, Environment, and the public health inspectors from Health and Wellness into a new division within the Department of Environment.

This change will unify inspection and enforcement activities and allow resource departments to focus on sector growth rather than policing activities. This change will take effect July 1, 2015.

In addition, this fall we intend to rationalize our non-resource landholdings by creating a flexible new entity with a mandate to:

1. Sell surplus land and return it to productive private-sector use;

2. Keep land that could support sector development, and innovation or incubation sites; and

3. Manage land that is contaminated or has environmental issues and challenges.

This new entity will work with the private sector.

Mr. Speaker, we have listened.

We have carefully planned and we are embarking on a new era that redefines government's appropriate role in creating a competitive and productive business environment. In doing so, we have streamlined government and will achieve better outcomes.

Investing in People

Mr. Speaker, the work of government must always be focused on improving the lives of Nova Scotians.

Our goals are improved health and wellness, enhanced community and social well-being, and population growth.

Given our demographic trends, we'll also continue to invest in aging well and enhancing workplace opportunities for youth and older workers.

We will also support population growth by focusing on three goals: retaining our youth, encouraging Nova Scotians to come home, and attracting other Canadians and immigrants from around the world.

The link between population growth and economic growth is clear — a strong economy is not only a good fiscal plan it is also the best population-growth plan.

For the first time in many years, we had modest population growth in our province in 2014.

In areas such as immigration, we are making real headway. More immigrants chose to make Nova Scotia their home last year than at any time in the last 10 years. More immigrants are also choosing to stay.

The most recent Statistics Canada figures indicate a 71 per cent retention rate for immigrants who arrived in Nova Scotia between 2007 and 2011 — the highest rate in recent history.

In our first 18 months in office, government has made a number of changes and launched initiatives to bring more immigrants to our province:

- Last summer the Premier appointed Wadih Fares and Colin Dodds as joint chairs of the Premier's Immigration Advisory Council;
- We changed the Provincial Nominee Program to ensure that international students who want to stay in Nova Scotia, have a way to do so;
- The Nova Scotia Demand: Express Entry stream was launched, providing a faster route for skilled and educated immigrants in response to labour-market demands; and
- We have strengthened the partnership between government and settlement service providers to enhance services for people, families and communities.

In 2015, we achieved a 50 per cent increase in provincial nominees over last year, bringing the total to 1,050, up from 700 the previous year.

And we are continuing to work hard. This year we will continue to focus on attracting new immigrants to Nova Scotia and ensure they are supported to make this province their permanent residence.

We look forward to introducing a new business immigration stream that will attract immigrant entrepreneurs with strong business skills. We need their talent and their enthusiasm to grow our economy and our communities.

Immigrants contribute economically and culturally to our province.

My riding of Clayton Park West is one of the most culturally diverse in the province.

And I see first-hand the benefits of opening our doors to newcomers.

Health Care

Mr. Speaker, in relation to all Nova Scotians, we have a responsibility to provide excellent health services. As I stated earlier, controlling our spending and encouraging economic growth enables us to have the capacity to invest in these core services.

Of these, health care is far and away the most expensive, and continues to account for the most significant amount of our overall provincial budget.

On April 1, the Nova Scotia Health Authority became a reality. Its mandate is to deliver health care efficiently and effectively while remaining focused on the patient and front-line care.

This patient-first approach will ensure consistent, high-quality health care across the province.

Bringing our resources together under a unified structure, with strong leadership, will ensure we can focus more money on health services and less on administration. By planning provincially, and looking at innovative approaches, we expect better health outcomes for Nova Scotians in the future.

This year, we will invest in areas that are important to Nova Scotians:

- $2 million to reduce orthopaedic wait times for hip and knee replacements and other surgeries;
- $3.8 million to increase home-care supports;
- $1.5 million to the Senior Citizens Assistance Program to help seniors stay well and in their own homes longer;
- $1 million to expand services for Early Intensive Behavioural Intervention for preschoolers with autism; and
- $700,000 to expand the sexual assault nurse examiner program.

The agreement we've made with health-care unions will streamline the number of bargaining units significantly in that sector, from 50 to four.

Coupled with the Essential Services Act passed in 2014, these initiatives have allowed Nova Scotians to have greater confidence in their access to health care.

These changes will allow our focus to be sharp and unwavering: on the patient.

Support for Those in Need

During my travels, I heard it said repeatedly: the people of this province feel a duty to support those who are most in need. It is one of our province's strengths and one of the reasons I am proud to be a Nova Scotian.

Work has already begun to transform our programs to focus directly on supporting our most vulnerable through benefit reforms that will help them improve their lives.

Our focus this year will be on continuing to transform services for persons with disabilities. This year we will take the first step toward stable, multi-year funding for disability support program providers. We will change the way we fund these providers to ensure more equitable distribution of funding and improve accountability — all to better serve Nova Scotians who depend on these services.

We will also invest an additional $2.5 million in direct family support programming.

Work on income assistance benefit reform will continue this year as we focus on the benefits we provide and, as importantly, how we provide them.

Mr. Speaker, I am pleased to announce that later this month, Nova Scotia's first sexual violence prevention strategy will be released. We will invest $2 million in prevention, in education and to support survivors of abuse.

Government is also looking at the feasibility of implementing social impact bonds in Nova Scotia.

Social finance has the potential to create opportunities for both investors and community organizations. This may be a way to provide access to new sources of funds for projects that will benefit our society.

Due to the success of the program, we will also be extending the Domestic Violence Court in Cape Breton with an additional $430,000 commitment.

In the year ahead, government will continue to focus efforts to support those in need.

We will maintain the affordable living tax credit that provides $65.8 million to over 200,000 low-income Nova Scotians and we will protect income-assistance rates.

When we speak of the importance of fiscal discipline, it is precisely because we need the capacity to do more for those who most need our help.

Fiscal Plan 2015–2016: Building on Our Progress

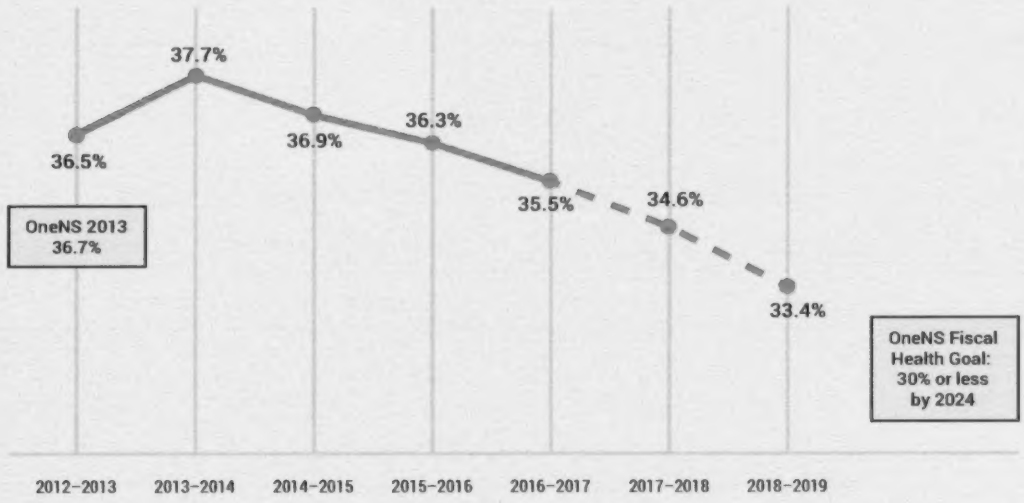
With this context, and the information I have provided on where we are investing in a better future — education, the economy and our people — I would like now to focus on our fiscal plan for 2015–2016.

We have essentially held the line on spending – in fact, total government spending has increased only 0.7 per cent in our fiscal plan.

We are poised to turn the corner on total debt if we can sustain our fiscal plan. Every dollar reduction we make with regards to debt service is a dollar available for new programs that can help us transition our people and our economy.

The net-debt-to-GDP ratio is regarded as the most comprehensive indicator of the province's financial position. It hit a recent peak of 37.7 per cent at the end of the 2014 fiscal year. This ratio is expected to improve over the fiscal plan, reaching 33.4 per cent by 2018–2019, bringing us closer to the goals set out in the One Nova Scotia report.

Ratio of Net Debt to Gross Domestic Product



While this is a significant accomplishment, it has to be recognized that government's expenses still exceed revenues.

The key categories of the current year budget are:

1. Total revenues are expected to be $9.92 billion dollars;

2. Total spending is estimated at $10.0 billion dollars;

3. Interest payments on public debt will be $872 million or 8.7 per cent of the expense budget;

4. Health expenditures will be $4.1 billion dollars – or 46.4 per cent of total departmental spending; and

5. Education expenditures will be $1.2 billion dollars or 14 per cent.

When I commenced my remarks, I described our program review process and the five questions we ask ourselves as we pursue ongoing program review.

After checking if public objectives are being achieved, the last question we ask with respect to each program is: is it affordable and is it providing the best value for all Nova Scotians?

A recommendation from the Tax Review involved the Film Industry Tax Credit – and the need for modification. The report said our Film Industry Tax Credit is considered to be one of the most generous in the country.

We have heard from many people who work in the film industry. Some clearly are here and contributing in many ways to our province.

Our challenge has been to find a new structure that will offer support to the industry and, at the same time, increase accountability and benefit to our provincial economy.

Nova Scotians want their tax dollars to support Nova Scotia.

I want to be clear today: the Film Industry Tax Credit remains.

I also want to be clear on another point: we cannot look at this tax credit in isolation. We must consider it with all other tools government uses to stimulate the economy and help industries – not just film.

There is only one taxpayer, and only one pot of money. We need to maximize return on this and every investment.

In order to rebalance this credit, we will change it from one that is fully refundable to one that is 25 per cent refundable.

The remaining 75 per cent of the eligible tax credit will be provided as a non-refundable credit. In other words, 75 per cent is available to film companies against the taxes they owe in Nova Scotia.

These changes will take effect July 1, 2015. This timing will ensure projects that are currently in progress can continue, and also provide the industry time to transition. We have budgeted $24 million this fiscal year to ensure there is no interruption to the credit.

The film industry relies heavily on this subsidy. I recognize this change will be deeply felt and many will react negatively. We simply cannot afford to maintain the credit in its current form.

In addition to the tax credit, we are establishing a Creative Economy fund. This $6-million fund will be designed in consultation and collaboration with the industry and will be open to creative industries — including publishing, animation, music, sound recording, and film.

To ensure creative industries are best positioned to realize their potential, we will also move responsibility for this sector to Nova Scotia Business Inc.

Aligning the creative sector with NSBI is a vote of confidence in the industry which will now be better positioned to take advantage of supports that will help it focus on international exports, expansion and growth.

Towards a Modern Equitable Tax System

I have referred a number of times to Charting a Path for Growth – the report of the Nova Scotia Tax and Regulatory Review.

Since receiving the report in November, I have personally been consulting with Nova Scotians from all walks of life. I've listened to social-justice advocates, business leaders, students and many others.

Nearly 500 people attended our sessions and we received more than 300 emails and letters.

Many participants in the sessions spoke about the need to address our demographic challenges. Others spoke of protecting programs and services that serve our most vulnerable Nova Scotians.

Still others spoke of the need for change and the urgency around it.

The tax and regulatory report challenges us all to look at our tax system differently.

It's a conversation we all need to have.

I want to be very clear today – we are taking a long view.

Some of the measures that are recommended need more careful analysis.

We need to understand their impacts on people and we need to consult further in some cases.

A systematic and structural plan that rolls out over a number of years is necessary.

That being said, in this, our first budget since the release of the report, we are making the following decisions:

- The film industry tax credit is being modified, as I have explained;

- We have made the decision to maintain the volunteer fire fighter tax credit — for the people who stand ready to help Nova Scotians in a time of need; and
- Likewise, the $10-million provincial tax exemption on printed books will be maintained to support publishers, authors and booksellers, and also to support students and libraries.

In addition to these decisions, we will move forward on several other tax changes:

- We will rebalance taxes paid on income earned through wages or dividends by lowering the non-eligible dividend tax credit. Over the past few years, the dividend tax credit has not kept pace with changing conditions.

  To ensure the system is equitable, the rate is being reduced from 5.87 per cent to 3.5 per cent.

  This change will restore $30 million in revenue for the province.
- We will also increase tobacco taxes by two cents per cigarette because evidence suggests increased pricing results in lower consumption.

Our plan for the year ahead includes:

- The establishment of a tax working group to act as a sounding board on implementation challenges and opportunities with regards to the tax recommendations;
- Consideration of our existing credits and exemptions to ensure best value; and
- Ongoing consultation and conversations with Nova Scotians about key recommendations in the report.

As part of the 2015–2016 budget, I have also tabled our four-year fiscal plan. This plan outlines our projected revenue and expenses. To reiterate, I am proud of the fact that government has outlined a plan that will see our province in a surplus position next year — a year ahead of earlier expectations.

Fiscal Projections 2014–2015 to 2018–2019 ($ millions)

	2014-2015 Estimate	2014-2015 Forecast	2015-2016 Estimate	2016-2017 Estimate	2017-2018 Estimate	2018-2019 Estimate
General Revenue Fund						
Revenue						
Ordinary Revenue	8,703.7	8,888.7	9,036.7	9,312.2	9,484.1	9,775.0
Ordinary Recoveries	522.0	529.3	531.2	534.0	534.5	536.6
Net Income Government Business Enterprises	340.4	344.8	352.1	356.0	350.6	341.6
	9,566.1	9,762.8	9,920.0	10,202.2	10,369.3	10,653.3
Expenses						
Departmental Expenses	8,851.6	8,829.0	8,910.0	9,078.5	9,213.6	9,433.6
Refundable Tax Credits	115.6	127.1	151.0	134.2	135.4	136.5
Pension Valuation Adjustment	90.5	78.8	90.7	101.6	111.3	115.8
Debt Servicing Costs	878.0	862.6	872.6	872.8	891.2	908.7
	9,935.7	9,897.4	10,024.2	10,187.0	10,351.4	10,594.6
Consolidation and Accounting Adjustments for Governmental Units	90.6	32.5	6.7	7.4	7.4	7.4
Provincial Surplus (Deficit)	(279.0)	(102.1)	(97.6)	22.6	25.3	66.1
Net Debt	15,005	14,961	15,118	15,295	15,311	15,283
Nominal GDP	40,112	40,548	41,646	43,047	44,225	45,773
Debt to GDP Ratio	37.4%	36.9%	36.3%	35.5%	34.6%	33.4%

However, to achieve the plan, we must continue to control spending and examine the effectiveness of programs and services – and, perhaps most importantly, set the conditions to grow the economy.

Our guiding principle will continue to be fiscal sustainability so we remain able to invest in core public services that enable Nova Scotians to improve the quality of their lives.

Conclusion

Mr. Speaker, this budget takes a major step toward a modern, flexible and sustainable government.

In the year ahead, our work will continue to be guided by the responsible stewardship of Nova Scotia's finances.

To date our concentration has been on our core responsibilities:

- Ensuring a high-quality health-care system that is able to modernize and improve access for Nova Scotians;
- Rebuilding our education system in a way that offers all Nova Scotians the skills they need to excel in a changing world; and
- Taking further steps to create the conditions required to allow the private sector to create meaningful employment opportunities for Nova Scotians.

We have met these core responsibilities while keeping spending at historically low-growth levels — and we are headed toward a surplus position. Again, this fiscal discipline will provide us with options to address the things that matter most to Nova Scotians.

I believe we all share certain common values: we want better access to health care; we want an education system that allows young Nova Scotians and their families to excel and thrive; and we want a vibrant private sector that maximizes our advantages and creates jobs across our province.

Mr. Speaker, in my role as Finance Minister I am responsible for considering the many competing demands that are placed on government. I have said we cannot afford to be all things to all people. Our small province needs to be sure that every dollar spent is getting the best return for our taxpayers. That is the hard reality of planning a budget and examining all the important services we are asked to fund.

Before I conclude, I want to thank all of my colleagues and, most especially, the public servants who have contributed so much to the development of this budget and to the ongoing high-quality services provided to Nova Scotians.

Thank you, Mr. Speaker.